

**Indian River County
Inter-Office Memorandum
Office of Management and Budget**

Date: March 5, 2018
To: Members of the Board of County Commissioners
Through: Jason E. Brown, County Administrator
From: Michael Smykowski - Director, Office of Management & Budget
Subject: Children's Services
Funding Allocation for Fiscal Year 2018/2019

Description and Conditions

Each year, the Board of County Commissioners approves a funding allocation for Children's Services. This amount is then allocated to the applicants based upon recommendations of the Children's Services Advisory Committee. The County historically changed the funding allocation based upon the previous fiscal year's taxroll change with exceptions during the economic downturn. Funding during the downturn reached a low point of \$623,890 and was held constant at that level during FY2012/2013, FY2013/2014, and FY2014/2015.

For fiscal year 2015/2016, the Board of County Commissioners approved a matching program where each dollar raised by the community would be matched dollar for dollar up to \$200,000 in addition to the base funding amount of \$651,965. It should be noted that the base funding amount was based upon the prior year's allocation (\$623,890), plus the change in the taxroll for the prior year (4.5%). This resulted in total county funding of \$851,965, plus \$200,000 raised from the community (for a total of \$1,051,965) allocated through the process.

In FY 2016/2017, the Board of County Commissioners provided funding for the entire allocation from the previous year (\$1,051,965), which resulted in a \$200,000, or 23.5% increase from the prior year

In FY 2017/2018, the Board approved a three year phase-in of funding to reach the 0.1250 millage cap authorized for the program. The FY 2017/2018 total approved funding amounted to \$1,607,965 and included the one-time use of \$250,000 in available non ad valorem funds. This represented an increase of \$556,000 or 52.9% from FY2016/217 funding levels. An attachment to this agenda item displays the historical Children's Services funding levels in both tabular and bar chart formats.

Staff is requesting that the Board set a funding allocation for Children's Services for FY 2018/2019 at this time. The Board previously approved Children's Services Council funding of \$1,663,965 for FY2018/19. Minutes from the March 14, 2017 County Commission meeting, agenda item 12E1, are attached as a reference. This is a net increase of \$56,000 or 3.5% from the FY 2017/2018 funding level. However, the impact to ad valorem taxes is actually \$306,000 due to the non-recurring revenue that funded \$250,000 of the FY2017/18 allocation.

Staff anticipates a moderate increase in the tax roll for next fiscal year. Staff also anticipates several other funding request increases due to deferred capital purchases and continued constrained funding levels for various agencies. It is anticipated that these requests will continue to strain the County's resources, even with the benefit of a rising tax roll. A 3% increase in the General Fund tax roll would

yield \$1,607,678 in incremental ad valorem revenue at the 95% appropriation level, assuming a constant General Fund millage of 3.4604. The recommended \$306,000 increase in Children's Services ad valorem funding would represent 19% of incremental General Fund ad valorem tax dollars.

Recommendation

Staff recommends that the Board of Commissioners approve funding for Children's Services agencies in the amount of \$1,663,965 for fiscal year 2018/2019, which is an increase of 3.50% or \$56,000 from the current year base funding level. However, the General Fund ad valorem impact is actually \$306,000 due to the use of \$250,000 in non-recurring revenue in the FY 2017/2018 funding allocation.

This recommendation is consistent with Board policy direction from the March 14, 2017 Board meeting and continues progress toward ultimately funding Children's Services programs at the maximum cap of 0.1250 mills.

Attachment

Children's Services Funding History
March 14, 2107 Minutes (Agenda Item 12.E.1)

APPROVED AGENDA ITEM:

FOR: _____ March 13, 2018